
BAADER HELVEA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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BAADER HELVEA LIMITED

COMPANY INFORMATION

DIRECTORS

M J Deane
T F Dawson
O Riedel
L Burkart

COMPANY SECRETARY

M J Deane

REGISTERED NUMBER

04935018

REGISTERED OFFICE

5 Royal Exchange Buildings
London
EC3V 3NL

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
7 More London Riverside
London
SE1 2RT

BAADER HELVEA LIMITED

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BAADER HELVEA LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The directors present their strategic report on the company for the year ended 31 December 2022.

GENERAL INFORMATION

Baader Helvea Limited is a private company limited by shares, incorporated in the UK, with a registered office of 5 Royal Exchange Buildings, London, EC3V 3NL. Its principal activity is the provision of professional brokerage services covering the Switzerland, Germany and Austria region.

BUSINESS REVIEW

The results for the year and the financial position of the company are as shown in the financial statements. The net profit for the financial year was £849,885 (2021: £798,795). Industry conditions remain challenging for smaller broker-dealers operating in the UK market. Management therefore considers the improved performance for the year as a significant achievement that is an encouraging pointer for the business outlook for the coming year.

The Board recognises that the long-term success of Baader Helvea Limited's business depends on the way it works with all stakeholders. The Directors have had regard to the interest of Baader Helvea Limited's stakeholders (including, for example, our clients, our employees, society and our shareholders) while complying with their obligations to promote the success of the company in line with section 172 of the Companies Act 2006.

The Board has discussed these obligations throughout the year, including how stakeholder engagement is incorporated into our long-term decision-making. The Board's decision-making considers both risk and reward in pursuit of delivering long-term value for all of our stakeholders and protecting their interests. Awareness and understanding of the current and potential risks to the business, including both financial and non-financial risks, are fundamental to how the Board manages the business.

BREXIT

The Brexit transition period ended on 31 December 2020. Baader Helvea Limited is part of the Baader Bank Group, based in Germany. Its direct holding company is Baader Helvea AG, a licenced broker-dealer in Switzerland. Any relationships with EU-based customers were transferred to Baader Bank Group during 2020. Further to the cession of their UK business license, Baader Bank Group moved all its relationships with UK-based customers to Baader Helvea Limited during 2022. Management expects that this will lead to additional revenue for the company over the course of the 2023 financial year.

WAR IN UKRAINE

The company has only indirect exposure to the war in Ukraine. In particular, the company does not have any customers or suppliers in Ukraine or Russia and does not transact any business in those territories. Furthermore, the company does not hold investments or trading positions and has therefore seen no financial impact from the market movements triggered by the outbreak of the war.

BAADER HELVEA LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The primary risks facing the company are the unpredictability of investor trading volumes and the willingness of investors to enter into research supply agreements with the company respectively. The company has a cost base that is relatively insensitive to the volume of revenue generated from these sources and therefore the profit or loss recorded can vary substantially. The directors believe that other risks relating to operational factors are low. Similarly, the nature of the company's balance sheet is such that the risk to profit or capital from fluctuations in asset or liability valuations is also low. In particular, the company does not hold any securities on its own account or for clients and the company's only significant credit exposure is to its banking providers and the ultimate parent company Baader Bank Group.

The company's management believes that the potential risks arising from higher inflation are minimal. A large part of the cost base is either directly related to business volume (e.g. trade execution commissions) or is fixed.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the company's directors are of the opinion that the most relevant key performance indicators are turnover and pre-tax profit.

This report was approved by the board on 14 February 2023 and signed on its behalf.

T F Dawson
Director

A handwritten signature in black ink, appearing to read 'T F Dawson', is positioned above the printed name and title.

BAADER HELVEA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

GOING CONCERN

Based on the company's operating projections, cash flow forecasts and historical performance the directors believe that there is reasonable expectation that the company will generate sufficient cash and have access to working capital facilities to enable it to meet its funding requirements for at least the next 12 months.

In setting out their projections for 2023, the directors have taken into account the transfer of UK-based customers from Baader Bank Group to Baader Helvea Limited.

The directors therefore continue to adopt the going concern basis in preparing the financial statements.

MATTERS COVERED IN THE STRATEGIC REPORT

Information relating to the business review, principal risks and uncertainties and financial key performance indicators is shown in the Strategic report on pages 1-2.

DIRECTORS

The directors who served during the year were:

M J Deane
T F Dawson
O Riedel
L Burkart

FUTURE DEVELOPMENTS

As discussed in the strategic report, the company's revenues are highly sensitive to financial market conditions that remain inherently unpredictable. As such, the directors believe that it would be inappropriate to make any further comment regarding future developments.

RESEARCH AND DEVELOPMENT ACTIVITIES

All research and development relevant to the company's business is undertaken by its ultimate parent company Baader Bank Aktiengesellschaft, Unterschleissheim, Germany.

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BAADER HELVEA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

INDEPENDENT AUDITORS

The ultimate parent company, Baader Bank Aktiengesellschaft, Unterschleissheim, Germany, is required under German regulations to rotate its auditors periodically and has elected to apply this policy across the Baader Bank Group. For this reason, Baader Helvea Limited will propose the appointment of KPMG for the 2023 financial year in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 February 2023

and signed on its behalf.

A handwritten signature in black ink, appearing to read 'T F Dawson', with a stylized flourish above the first name.

T F Dawson
Director

BAADER HELVEA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors' report to the members of Baader Helvea Limited

Report on the audit of the financial statements

Opinion

In our opinion, Baader Helvea Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the statement of comprehensive income; the statement of cash flows; the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

BAADER HELVEA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAADER HELVEA LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

BAADER HELVEA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAADER HELVEA LIMITED

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue or expenses. Audit procedures performed by the engagement team included:

- Performed inquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewed relevant meeting minutes, including those of the Board;
- Incorporated an element of unpredictability around the nature, timing or extent of our testing;
- Testing journal entries, with a focus on journals indicating unusual transactions based on our understanding of the business;
- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Understanding of management's internal controls designed to prevent and detect irregularities;

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

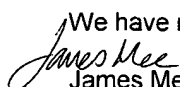
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.


James Mee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 February 2023

BAADER HELVEA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	4,115,520	4,003,552
Gross profit		4,115,520	4,003,552
Administrative expenses		(3,097,594)	(3,057,189)
Other operating income		9,845	-
Other operating gains/(losses)		18,504	(7,386)
Operating profit		1,046,275	938,977
Interest receivable and similar income		428	-
Profit before tax		1,046,703	938,977
Tax on profit	8	(196,818)	(140,182)
Profit for the financial year		849,885	798,795

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 13 to 24 form part of these financial statements.

BAADER HELVEA LIMITED
REGISTERED NUMBER: 04935018

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	17,510	7,034
		17,510	7,034
Current assets			
Debtors: amounts falling due within one year	10	198,451	290,998
Cash at bank and in hand	11	3,037,354	2,153,914
		3,235,805	2,444,912
Creditors: amounts falling due within one year	12	(403,019)	(451,535)
Net current assets		2,832,786	1,993,377
Total assets less current liabilities		2,850,296	2,000,411
Net assets		2,850,296	2,000,411
Capital and reserves			
Called up share capital	13	800,001	800,001
Profit and loss account		2,050,295	1,200,410
Total equity		2,850,296	2,000,411

The financial statements on pages 9 to 24 were approved and authorised for issue by the board and were signed on its behalf 14 February 2023


T F Dawson
 Director

The notes on pages 13 to 24 form part of these financial statements.

BAADER HELVEA LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Retained Earnings	Total equity
	£	£	£
At 1 January 2021	800,001	401,615	1,201,616
Comprehensive income for the year			
Profit for the financial year	-	798,795	798,795
Total comprehensive income for the year	-	798,795	798,795
At 31 December 2021 and at 1 January 2022	800,001	1,200,410	2,000,411
Comprehensive income for the year			
Profit for the financial year	-	849,885	849,885
Total comprehensive income for the year	-	849,885	849,885
At 31 December 2022	800,001	2,050,295	2,850,296

The notes on pages 13 to 24 form part of these financial statements.

BAADER HELVEA LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	849,885	798,795
Adjustments for:		
Depreciation of tangible assets	6,772	8,048
Interest paid	(428)	-
Taxation charge	196,818	140,182
Decrease/(increase) in debtors	7,140	(17,785)
Decrease in amounts owed by groups	85,407	3,505
(Decrease)/increase in creditors	(80,137)	73,969
Increase in amounts owed to groups	41,685	-
Corporation tax (paid)/received	(206,882)	-
Net cash generated from operating activities	900,260	1,006,714
Cash flows from investing activities		
Purchase of tangible fixed assets	(17,248)	-
Net cash used in investing activities	(17,248)	-
Cash flows from financing activities		
Interest paid	428	-
Net cash generated from financing activities	428	-
Net increase in cash and cash equivalents	883,440	1,006,714
Cash and cash equivalents at beginning of year	2,153,914	1,147,200
Cash and cash equivalents at the end of year	3,037,354	2,153,914
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,037,354	2,153,914
	3,037,354	2,153,914

The notes on pages 13 to 24 form part of these financial statements.

BAADER HELVEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Baader Helvea Limited is a private company, limited by shares, domiciled in England and Wales, registration number 04935018. The company's registered office is 5 Royal Exchange Buildings, London, EC3V 3NL.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The individual financial statements of Baader Helvea Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 GOING CONCERN

Based on the company's operating projections, cash flow forecasts and historical performance the directors believe that there is reasonable expectation that the company will generate sufficient cash and have access to working capital facilities to enable it to meet its funding requirements for at least the next 12 months.

In setting out their projections for 2023, the directors have taken into account the transfer of UK-based customers from Baader Bank Group to Baader Helvea Limited.

The directors therefore continue to adopt the going concern basis in preparing the financial statements.

BAADER HELVEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover consists of:

- Brokerage - Commissions received from Baader Bank AG ("Baader") in relation to transactions executed (mainly on the German, Austrian and Swiss Markets) by clients of Baader Helvea Limited by Baader.
- Corporate action selling fees - In the event that Baader manages or underwrites a share placement or capital increase ('corporate action') that is distributed to Baader Helvea Limited's clients, Baader Helvea Limited becomes entitled to a share of the fees charged to the issuer ('selling fees') on the basis of the agreement between Baader and the issuer. The allocation of selling fees is determined by Baader based inter alia on investors' subscriptions and allocations in the corporate action.
- Research revenues – Under the provisions of MiFID 2 regulations, the company's investment clients resident in the EU are required to separate payment for research services from trading commissions. Clients enter into agreements to pay for the receipt of Baader's research as well as separate payments for attendance at investment conferences organised by the Baader group, corporate access and meetings with the group's analysts. These revenues are recognized when management deems the payment to be probable and the amount to be reliably estimated. The recognition point may vary from customer to customer, and is dependent upon the terms set forth in the respective service agreements.
- Roadshow revenues - Consisting of revenues generated by the hosting of Corporate Brokerage roadshows.

BAADER HELVEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.4 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 25% straight line
Leasehold property	- 25% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 CASH AT BANK AND IN HAND

Cash at bank and in hand are highly liquid investments with original maturities of no more than three months and are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 FINANCIAL INSTRUMENTS

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a

BAADER HELVEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL INSTRUMENTS (continued)

rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Market risk

The company can be exposed to market risk arising from the prevailing general economic conditions and market sentiment which may affect the balance sheet and total returns.

Market risk is reduced through having a geographically diversified client portfolio and continuous efforts to improve and establish new client relations. Baader Helvea Limited does not hold any direct investments.

Credit and liquidity risk

The company can be exposed to credit risk arising from the possibility that another party fails to fulfil its obligations and liquidity risk surrounding its capacity to meet its liabilities. Trade debtors for the year to 31 December 2022 amounted to £100,700 (2021: £132,774) and the provision for bad debts for the year ended 31 December 2022 amounted to £NIL (2021: £Nil). All liabilities and receivables are due within one month. The company did not experience any problems regarding the collection of amounts due in respect of research invoices during the course of the year.

The company's customers are all regulated institutional investors whose business was not materially financially impacted by COVID and who were all able to put in place operational measures to mitigate any disruption arising

2.8 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

BAADER HELVEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FOREIGN CURRENCY TRANSLATION

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'other operating expenses'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.10 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 PENSIONS

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

BAADER HELVEA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.12 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

BAADER HELVEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

Management has not made any critical judgements that have a significant effect on the amounts recognised in the financial statements, except for:

Property, plant and equipment

Property, plant and equipment are depreciated over their useful life taking into account, where appropriate, residual values. Assessment of useful lives and residual values are performed annually, taking into account factors such as technological innovation, maintenance programmes, market information and management considerations. In assessing the residual values, the remaining life of the asset, its projected disposal value and future market conditions are taken into account. Detail on property plant and equipment and can be found in note 9.

Bonus accrual

Baader Bank Group operates a number of annual bonus plans for employees. An expense is recognised in the statement of comprehensive income when the Baader Bank Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Research revenue

The company earns research revenue through provision of research services to its customers, some of which do not have fixed annual fees stipulated in their agreements, leaving the frequency and amount to be paid to the customer's discretion. Management's judgement is that it is not possible to determine the probability of payment or to reliably estimate the amount of research fees that will be paid, in which case the revenue is recognised when confirmation from the client is received. This is based on consideration of historical payments and review of the signed agreements with said customers, market uncertainty, volatility in amount of services provided to customers, lack of insight into the customers' financial conditions, and in the current year.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Turnover	4,115,520	4,003,552
	<u>4,115,520</u>	<u>4,003,552</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	4,115,520	4,003,552
	<u>4,115,520</u>	<u>4,003,552</u>

BAADER HELVEA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	69,065	60,517
	<u>69,065</u>	<u>60,517</u>

Amounts paid for non-audit services during the year totalled £3,000 (2021: £3,000).

6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	210,681	371,344
Social security costs	26,664	40,747
Other pension costs	10,197	24,448
	<u>247,542</u>	<u>436,539</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Sales	3	4
	<u>3</u>	<u>4</u>

During the year there were no (2021: 1) directors remunerated through the company.

7. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	-	156,408
Company contributions to defined contribution pension schemes	-	14,517
	<u>-</u>	<u>170,925</u>

During the year retirement benefits were accruing to no directors (2021 - NIL) in respect of defined contribution pension schemes.

During the year there were no (2021: 1) directors remunerated through the company.

BAADER HELVEA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. TAXATION

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	196,710	140,182
Adjustments in respect of previous periods	108	-
	<u>196,818</u>	<u>140,182</u>
Total current tax	<u>196,818</u>	<u>140,182</u>
Deferred tax		
Total deferred tax	-	-
Taxation on profit	<u>196,818</u>	<u>140,182</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2021: *the same as*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit before tax	<u>1,046,703</u>	<u>938,977</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	198,874	178,406
Effects of:		
Fixed asset differences	(983)	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	719	371
Utilisation of tax losses	(1,900)	(38,595)
Adjustments to tax charge in respect of prior periods	108	-
Total tax charge for the year	<u>196,818</u>	<u>140,182</u>

BAADER HELVEA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. TANGIBLE ASSETS

	Leasehold Property £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2022	253,877	93,398	79,560	426,835
Additions	-	6,659	10,589	17,248
At 31 December 2022	<u>253,877</u>	<u>100,057</u>	<u>90,149</u>	<u>444,083</u>
Depreciation				
At 1 January 2022	253,877	93,271	72,653	419,801
Charge for the year on owned assets	-	404	6,368	6,772
At 31 December 2022	<u>253,877</u>	<u>93,675</u>	<u>79,021</u>	<u>426,573</u>
Net book value				
At 31 December 2022	<u>-</u>	<u>6,382</u>	<u>11,128</u>	<u>17,510</u>
At 31 December 2021	<u>-</u>	<u>127</u>	<u>6,907</u>	<u>7,034</u>

10. DEBTORS: Amounts falling due within one year

	2022 £	2021 £
Trade debtors	100,710	132,774
Amounts owed by group undertakings	-	85,407
Other debtors	25,358	-
Prepayments and accrued income	72,383	72,817
	<u>198,451</u>	<u>290,998</u>

As at the year end, the trade debtors have been calculated after taking into account a provision in place for bad debts totalling £NIL (2021: £Nil)

BAADER HELVEA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. CASH AT BANK AND IN HAND

	2022 £	2021 £
Cash at bank and in hand	3,037,354	2,153,914
	<u>3,037,354</u>	<u>2,153,914</u>

12. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	87,505	120,816
Amounts owed to group undertakings	41,685	-
Corporation tax	130,118	140,182
Other taxation and social security	5,085	61,554
Other creditors	19,032	32,000
Accruals and deferred income	119,594	96,983
	<u>403,019</u>	<u>451,535</u>

13. CALLED UP SHARE CAPITAL

	2022 £	2021 £
Allotted, called up and fully paid		
800,001 (2021: 800,001) Ordinary shares of £1.00 each	<u>800,001</u>	<u>800,001</u>

14. RELATED PARTY TRANSACTIONS

During the year Baader Helvea Limited provided brokerage services, roadshows, and charged selling fees to Baader Helvea AG, the company's immediate parent. Revenue of £3,737,614 (2021: £3,533,201) was recognised. Baader Helvea Limited also paid commissions to Baader Helvea AG, amounting to £239,071 (2021: £210,755). At the year-end £41,685 was owed to (2021: £85,407 owed by) Baader Helvea AG and included within creditors (2021: included within debtors). This payable is unsecured, and is repayable on demand.

BAADER HELVEA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. CONTROLLING PARTY

The immediate parent is Baader Helvea AG, a company registered in Switzerland. The ultimate controlling party is Baader Bank Aktiengesellschaft, Unterschleissheim, Germany who holds 100% of Baader Helvea AG.

Copies of the financial statements can be obtained from Baader Bank Aktiengesellschaft, Unterschleissheim, Germany at:

Baader Bank Aktiengesellschaft, Unterschleissheim, Germany
Weihenstephaner Strasse 4
85716 Unterschleissheim
Germany

The parent undertaking of the largest group of the companies for which group financial statements are prepared and of which Baader Helvea Limited is a member in 2022, was Baader Bank Aktiengesellschaft, Unterschleissheim, Germany.

BAADER HELVEA LIMITED

**UNAUDITED DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£	£
Turnover	4,115,520	4,003,552
Gross profit	4,115,520	4,003,552
GROSS PROFIT %	100.0 %	100.0 %
Other operating income	9,845	-
Less: overheads		
Administration expenses	(3,097,594)	(3,057,189)
Other operating gains/(losses)	18,504	(7,386)
Operating profit	1,046,275	938,977
Interest payable	428	-
Tax on profit on ordinary activities	(196,818)	(140,182)
Profit for the year	849,885	798,795

BAADER HELVEA LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

This schedule is unaudited.

	2022 £	2021 £
Turnover		
Turnover	<u>4,115,520</u>	<u>4,003,552</u>
	<u>4,115,520</u>	<u>4,003,552</u>
	2022 £	2021 £
Other operating income		
Other operating income	<u>9,845</u>	<u>-</u>
	<u>9,845</u>	<u>-</u>

BAADER HELVEA LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

This schedule is unaudited.

	2022 £	2021 £
Administration expenses		
Directors national insurance	-	23,126
Directors salaries	-	156,408
Directors pension costs - defined contribution schemes	-	14,517
Staff salaries	210,681	214,936
Staff national insurance	26,664	17,621
Staff pension costs - defined contribution schemes	10,197	9,931
Staff training	-	131
Entertainment	3,535	569
Hotels, travel and subsistence	19,350	3,171
Research and development	170,362	384,569
Printing and stationery	2,803	2,137
Postage	-	403
Telephone and fax	21,139	32,762
General office expenses	36,423	25,138
Trade subscriptions	50,157	60,246
Legal and professional	3,320	6,357
Auditors' remuneration	69,065	60,517
Accountancy fees	87,278	36,525
Equipment hire	708	3,749
Bank charges	2,696	2,615
Discounts allowed	13,944	8,652
Rent - non-operating leases	99,300	99,300
Cleaning	4,796	3,653
Service charges	102,059	101,343
Insurances	8,022	9,246
Sundry establishment expenses	4	148
Depreciation - computer equipment	6,368	7,832
Depreciation - fixtures and fittings	404	216
Irrecoverable VAT expense	86,874	248,476
Execution - trading business, clearing, settlement	664,730	685,661
Outsourcing activities expenses	50,481	52,039
Commissions payable	1,322,256	745,028
Conference costs	23,978	40,167
	3,097,594	3,057,189

BAADER HELVEA LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

This schedule is unaudited.

	2022	2021
	£	£
Operating charges		
Foreign exchange difference - loss	(18,504)	7,386
	(18,504)	7,386
	2022	2021
	£	£
Interest payable		
Bank overdraft interest payable	(428)	-
	(428)	-